

Charity registration number 1098036

Company registration number 04582937 (England and Wales)

NEW HORIZONS COMMUNITY ENTERPRISE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

NEW HORIZONS COMMUNITY ENTERPRISE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr A Hodgkins
Mr R Jones
Mrs M Rowley
Mr R Hughes
I Robertson
J Fitzpatrick
Mr R Thomas
Miss L Cole

Secretary

Mr M Brice

Charity number

1098036

Company number

04582937

Principal address

Blakenall Village Centre
Thames Road
Blakenall
Walsall
WS3 1LZ

Registered office

Blakenall Village Centre
Thames Road
Blakenall
Walsall
WS3 1LZ

Auditor

M T Manley & Co Limited
696 Yardley Wood Road
Billesley
Birmingham
B13 0HY

NEW HORIZONS COMMUNITY ENTERPRISE

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NEW HORIZONS COMMUNITY ENTERPRISE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and consolidated financial statements for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's Memorandum & Articles of Association (April 2014), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

The charity's objects are to promote, for the public benefit, urban regeneration in areas of social and economic deprivation in Walsall in Blakenall, Bloxwich East and Leamore. There has been no change in the policies adopted in furtherance of these objects during the year.

The vision statement of New Horizons Community Enterprise is "New Horizons Community Enterprise will be an enterprising organisation which enables communities to lead in making their area the place where they want to live".

This is the 21st year of New Horizons Community Enterprise (NHCE).

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees have concentrated over the year on the continued implementation and delivery of the Business Plan. The Board prepared a Business Plan during 2014 which sets out the vision of the trustees for the next 5-7 years and beyond and protects the charity's assets for the benefit of the community. Trustees review the plan annually. This is the last year of the Business Plan and a new updated Succession Plan will be implemented during 2022.

The current economic climate and the world-wide pandemic means that the charity has had to more than ever focus on the management of the charity's activities to ensure that the charity is self-sustaining for the future.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

The charity owns and operates a number of assets from which it earns income. Any surplus generated is used to deliver community benefits. The assets also bring statutory, private and public sector services to the local area for the benefit of the community. The assets are:

Blakenall Village Centre (BVC), 79 Thames Road, Blakenall. The building provides a central hub for the delivery of local level community services, including a GP Practice, minor surgery and walk-in emergency dental practice, a pharmacy, district nurses and health care assistants, healthy lifestyle services, adult mental health services and has provided an essential hub for NHS Services during the pandemic.

The centre also offers a meeting space for local community groups - over 50's forum, Crofters Social Group and health training as well as providing conferencing and meeting space for hire, these activities were postponed during 2021/22 due to the pandemic.

Canalside House, Abbotts Street, Bloxwich. The building houses a range of integrated mental health services delivering to children across Dudley and Walsall.

1 Queens Parade, High Street, Bloxwich. The shop was let to the National Schizophrenia Fellowship (Rethink Mental illness) from 1st January 2020 but did open during 2021 due to the pandemic.

NEW HORIZONS COMMUNITY ENTERPRISE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

In the community the charity organises a number of events and trips which are either free or subsidised such as Winter Wonderland - children meeting Santa - and trips to the seaside and other places of interest, there were no activities during 2021.

As one of a number of initiatives undertaken with a Government "New Deal for Communities" grant between 2000 and 2010 the charity advanced some £1.7 million as Homebuy loans to local people. The loans were secured by second mortgage on each of the 36 properties in the scheme and were for undefined periods

The charity has an investment policy which aims to provide a balance between income and capital growth over a 3-5 year timeframe using a combination of equities, fixed interest, cash and alternative investments. The trustees have appointed investment managers whose principal constraint is to mitigate risk whilst achieving a return equal to or greater than agreed pre-determined benchmarks. The investments are also required to meet certain socially responsible and ethical investment constraints set by the trustees such as the avoidance of alcohol and tobacco related investments. The results for the year can be viewed in the attached accounts

Financial review

Each year the trustees carry out a detailed review of the charity's activities.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

In the current year the charity's principal source of income is from renting out space in Blakenall Village Centre. The charity received rental and service charge income of £816,736 during the year.

The principal risks to which the charity is exposed relate to loss of tenants and subsequent reletting difficulties and to loss of staff. Much of the charity's letting space was tailored to the specific requirements of the original tenants and this makes subsequent reletting difficult. Reductions in staffing levels in the past have resulted in a small but very knowledgeable core of staff, whose knowledge of the charity's systems and methods would be difficult to replace in the event of further staff losses. The trustees are very aware of these risks and have instigated systems to mitigate them and to keep them under constant review.

Future plans

The charity will continue to implement the Business Plan and develop a Succession Strategy during 2022.

The charity will continue to promote its assets to a wide range of public service agents to enable much needed services to be delivered and accessed at a local level. Tenancy agreements with those organisations utilising the charity's assets will continue to be established at market values. The charity will seek to distribute surplus funds on projects which benefit local residents and organisations which meet its strategic objectives.

NEW HORIZONS COMMUNITY ENTERPRISE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

The charity is a company limited by guarantee and was set up by a Memorandum of Association on 6th November, 2002.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr A Hodgkins
Mr R Jones
Mrs M Rowley
Mr R Hughes
I Robertson
J Fitzpatrick
Mr R Thomas
Miss L Cole

The management of the charity is the responsibility of the trustees who are appointed under the terms of the Articles of Association. As set out in the Articles of Association a ballot of the trustees appoints the Chair and Vice Chair.

There are up to 12 trustees. Appointment of new trustees is at any time at the discretion of the existing trustees. Trustees so appointed take up their position at the start of the first Board Meeting after appointment.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The Board of Trustees, who administer the charity, meet three monthly. There is one sub-committee covering Community Matters. A Chief Operating Officer is appointed by the trustees to manage the day to day operations of the charity.

New trustees undergo an induction session to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes and the recent financial performance of the charity. During the induction they meet the employees and other trustees who also attend to update them on current issues.

The charity's wholly owned subsidiary, New Horizons Enterprises Limited, did not trade during the year.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The charity's policy is to consult and discuss with employees at meetings matters likely to affect employees' interests.

Information of matters of concern to employees is given to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company.

NEW HORIZONS COMMUNITY ENTERPRISE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

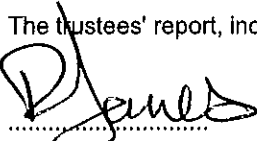
Auditor

In accordance with the company's articles, a resolution proposing that M T Manley & Co Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.


.....
Mr R Jones

Trustee

Dated: 8/11/2022


.....
J Fitzpatrick

Trustee

Dated: 8/11/2022

NEW HORIZONS COMMUNITY ENTERPRISE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of New Horizons Community Enterprise for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NEW HORIZONS COMMUNITY ENTERPRISE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NEW HORIZONS COMMUNITY ENTERPRISE

Opinion

We have audited the financial statements of New Horizons Community Enterprise (the 'charity') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable groups affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

NEW HORIZONS COMMUNITY ENTERPRISE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEW HORIZONS COMMUNITY ENTERPRISE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the trustees.

Based on our understanding of the charity and industry and discussions with management we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the charities financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the charities policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of trustees minutes;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

NEW HORIZONS COMMUNITY ENTERPRISE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEW HORIZONS COMMUNITY ENTERPRISE

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M T Manley & Co Ltd.

Graham Collins (Senior Statutory Auditor)
for and on behalf of M T Manley & Co Limited (Statutory Auditor)
Chartered Accountants

8 November 2022

696 Yardley Wood Road
Billesley
Birmingham
B13 0HY

NEW HORIZONS COMMUNITY ENTERPRISE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Total 2022 £	Total 2021 £
Income and endowments from:					
Charitable activities	3	793,047	80,000	873,047	931,935
Investments	4	28,456	-	28,456	22,804
Other income	5	336,343	-	336,343	53,598
Total income and endowments		1,157,846	80,000	1,237,846	1,008,337
Expenditure on:					
Raising funds	6	15,400	-	15,400	11,753
Charitable activities	7	872,181	127,435	999,616	821,013
Total resources expended		887,581	127,435	1,015,016	832,766
Net gains/(loss) on investments	10	(182)	-	(182)	173,851
Net movement in funds		270,083	(47,435)	222,648	349,422
Fund balances at 1 April 2021		1,338,644	5,389,800	6,728,444	6,379,022
Fund balances at 31 March 2022		1,608,727	5,342,365	6,951,092	6,728,444

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEW HORIZONS COMMUNITY ENTERPRISE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	4,212,877		4,340,311	
Investments	13	1,776,081		952,301	
		<u>5,988,958</u>		<u>5,292,612</u>	
Current assets					
Debtors	15	491,189		883,174	
Cash at bank and in hand		712,992		1,137,048	
		<u>1,204,181</u>		<u>2,020,222</u>	
Creditors: amounts falling due within one year	16	(242,047)		(584,390)	
Net current assets			962,134		1,435,832
Total assets less current liabilities			<u>6,951,092</u>		<u>6,728,444</u>
Income funds					
Unrestricted funds - designated		5,342,365		5,389,800	
Unrestricted funds - general		1,608,727		1,338,644	
		<u>6,951,092</u>		<u>6,728,444</u>	

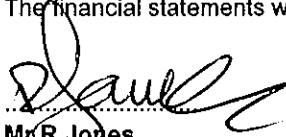
The group is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

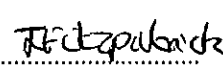
The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the group as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 8/1/2022


Mr R Jones
Trustee


J Fitzpatrick
Trustee

Company Registration No. 04582937

NEW HORIZONS COMMUNITY ENTERPRISE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	21		360,506		236,625
Investing activities					
Proceeds from disposal of investments		4,459		11,755	
Purchase of investments		(789,021)		-	
Bank interest received		-		195	
Net cash (used in)/generated from investing activities			(784,562)		11,950
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(424,056)		248,575
Cash and cash equivalents at beginning of year			1,137,048		888,473
Cash and cash equivalents at end of year			<u>712,992</u>		<u>1,137,048</u>

NEW HORIZONS COMMUNITY ENTERPRISE

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The recoverable value of home loans granted in past years gives rise to critical accounting estimates and judgement by the trustees in light of ongoing uncertainty over the economy. Impairment of this asset is considered and, if necessary, revised annually.

2 Accounting policies

Charity Information

New Horizons Community Enterprise is a private company limited by guarantee incorporated in England and Wales. The registered office is Blakenall Village Centre, Thames Road, Blakenall, Walsall, WS3 1LZ.

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified to include investments at fair value. The principal accounting policies adopted are set out below.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 24.35 of the SORP.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds which are available for use at the discretion of the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies

(Continued)

2.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income relating to rental income is measured at the fair value of the consideration received or receivable and represents amounts receivable for rents and service charges provided in the normal course of business, and invoiced quarterly.

2.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% Straight Line
Long term leasehold land and buildings	2% Straight Line
Fixtures, fittings & equipment	25% Straight Line
Motor vehicles	33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies

(Continued)

2.9 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Charitable activities

	Rental, service charge and other income 2022 £	Rental, service charge and other income 2021 £
Rental, service charge and other income	873,047	931,935
Analysis by fund		
Unrestricted funds - general	793,047	851,935
Unrestricted funds - designated	80,000	80,000
	873,047	931,935

4 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Income from listed investments	22,117	17,415
Interest receivable	6,339	5,389
	28,456	22,804

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Net gain on disposal of programme related investments	10,943	4,680
Furlough support	23,689	48,918
Write off of rentals received no longer deemed repayable	301,711	-
	<u>336,343</u>	<u>53,598</u>

6 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Investment management fees	15,400	11,753
	<u>15,400</u>	<u>11,753</u>

7 Charitable activities

	Community programme 2022 £	Community programme 2021 £
Depreciation and impairment	127,435	127,934
Community programme	442,647	289,374
	<u>570,082</u>	<u>417,308</u>
Share of support costs (see note 11)	334,740	305,154
Share of governance costs (see note 11)	94,794	98,551
	<u>999,616</u>	<u>821,013</u>
Analysis by fund		
Unrestricted funds - general	872,181	693,079
Unrestricted funds - designated	127,435	127,934
	<u>999,616</u>	<u>821,013</u>

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration, expenses or benefits from the charity during the year.(2021 - £NIL)

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Support work	8	8

Employment costs

	2022 £	2021 £
Wages and salaries	292,089	283,827
Social security costs	18,833	18,383
Other pension costs	3,396	4,229
	<u>314,318</u>	<u>306,439</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£80,001 - £90,000	1	1

10 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investments	<u>(182)</u>	<u>173,851</u>

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	226,124	88,194	314,318	220,664	306,439
Office and other costs	108,616	-	108,616	84,490	84,490
Audit fees	-	6,600	6,600	-	12,776
	<u>334,740</u>	<u>94,794</u>	<u>429,534</u>	<u>305,154</u>	<u>403,705</u>
Analysed between Charitable activities	<u>334,740</u>	<u>94,794</u>	<u>429,534</u>	<u>305,154</u>	<u>403,705</u>

12 Tangible fixed assets

	Freehold buildings £	Long term leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	14,031,770	60,000	1,184,044	5,505	15,281,319
At 31 March 2022	<u>14,031,770</u>	<u>60,000</u>	<u>1,184,044</u>	<u>5,505</u>	<u>15,281,319</u>
Depreciation and Impairment					
At 1 April 2021	9,730,799	21,600	1,183,103	5,505	10,941,007
Depreciation charged in the year	125,332	1,200	903	-	127,435
At 31 March 2022	<u>9,856,131</u>	<u>22,800</u>	<u>1,184,006</u>	<u>5,505</u>	<u>11,068,442</u>
Carrying amount					
At 31 March 2022	<u>4,175,639</u>	<u>37,200</u>	<u>38</u>	<u>-</u>	<u>4,212,877</u>
At 31 March 2021	<u>4,300,970</u>	<u>38,400</u>	<u>941</u>	<u>-</u>	<u>4,340,311</u>

The carrying value of land included in land and buildings comprises:

	2022 £	2021 £
Freehold	<u>400,600</u>	<u>400,600</u>

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Fixed asset investments

	Listed Investments £	Investments in subsidiary £	Total £
Cost or valuation			
At 1 April 2021	952,300	1	952,301
Additions	789,021	-	789,021
Other movements	34,759	-	34,759
At 31 March 2022	1,776,080	1	1,776,081
Carrying amount			
At 31 March 2022	1,776,080	1	1,776,081
At 31 March 2021	952,300	1	952,301

Fixed asset investments revalued

Listed investments with an historical cost of £1,681,643 have been revalued to market value of £1,776,080 by the charity's investment managers Quilter Cheviot, who are authorised and regulated by the Financial Conduct Authority.

The charity's wholly owned subsidiary is New Horizons Enterprises Limited which has not traded throughout the year and which has no assets and only share capital of a £1 ordinary share.

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14	Financial instruments	2022 £	2021 £			
	Carrying amount of financial assets					
	Instruments measured at fair value through profit or loss	1,776,080	952,300			
15	Debtors	2022 £	2021 £			
	Amounts falling due within one year:					
	Trade debtors	99,927	382,532			
	Other debtors	312,719	362,309			
	Prepayments and accrued income	78,543	138,333			
		491,189	883,174			
16	Creditors: amounts falling due within one year	2022 £	2021 £			
	Other taxation and social security	125	153			
	Trade creditors	63,060	85,427			
	Other creditors	17,964	301,711			
	Accruals and deferred income	160,898	197,099			
		242,047	584,390			
17	Analysis of net assets between funds					
	Unrestricted funds	Designated Funds	Total	Unrestricted funds	Designated Funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
	Fund balances at 31 March 2022 are represented by:					
	Tangible assets	-	4,212,877	4,212,877	-	4,340,311
	Investments	1,776,081	-	1,776,081	952,301	-
	Current assets/(liabilities)	(167,354)	1,129,488	962,134	386,343	1,049,489
		1,608,727	5,342,365	6,951,092	1,338,644	5,389,800
						6,728,444

NEW HORIZONS COMMUNITY ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£	£	£	£
Fixed Assets Fund	4,464,633	-	(127,934)	4,336,699	-	(127,435)	4,209,264
Homebuy Fund	420,901	-	-	420,901	-	-	420,901
Future Repair and Replacement Fund	552,200	80,000	-	632,200	80,000	-	712,200
	<u>5,437,734</u>	<u>80,000</u>	<u>(127,934)</u>	<u>5,389,800</u>	<u>80,000</u>	<u>(127,435)</u>	<u>5,342,365</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>88,194</u>	<u>85,557</u>

20 Analysis of changes in net funds

The charity had no debt during the year.

21 Cash generated from operations

	2022 £	2021 £
Surplus for the year	222,648	349,422
Adjustments for:		
Investment income recognised in profit or loss	(28,457)	(22,612)
Gain on disposal of investments	(10,943)	(4,680)
Fair value losses/(gains) on investments	182	(173,851)
Depreciation and impairment of tangible fixed assets	127,435	127,934
Movements in working capital:		
Decrease/(increase) in debtors	391,984	(64,670)
(Decrease)/increase in creditors	(342,343)	25,802
Cash generated from operations	<u>360,506</u>	<u>236,625</u>